

FY 2003-04 Budget Detail for GENERAL GOVERNMENT

**Attorney General
Civil Rights
Civil Service
Executive
Information Technology
Legislature
Management and Budget
State
Treasury-Operations
Treasury-Revenue Sharing/Debt Service**

**Summary: Enacted Appropriations
ALL GENERAL GOVERNMENT DEPARTMENTS
FY 2003-04 Senate Bill 270
Public Act 161 of 2003**

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted
IDG/IDT	\$666,338,700	\$585,519,100	\$562,831,100	\$578,420,900	\$569,647,200
Federal	59,360,000	59,233,900	59,233,900	104,533,900	60,641,300
Local	2,610,800	2,610,800	2,610,800	2,610,800	2,610,800
Private	1,733,100	550,100	550,100	550,100	550,100
Restricted	1,885,468,000	1,795,330,800	1,800,501,600	1,858,051,500	1,867,448,600
GF/GP	309,320,652	346,364,400	358,886,000	344,450,700	355,193,300
Gross	\$2,924,831,252	\$2,789,609,100	\$2,784,613,500	\$2,888,617,900	\$2,856,091,300
FTEs	7,382.9	7,356.4	6,842.4	6,842.4	6,873.9

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview of All General Government Departments

Public Act 161 of 2003 (SB 270) totals \$2.9 billion gross and \$355.2 million GF/GP.

The budget is:

\$68.7 million gross (2.4%) under and \$45.9 million GF/GP (14.8%) over current-year figures.

\$66.5 million gross (2.4%) over and \$8.8 million GF/GP (2.5%) over the Executive recommendation.

\$71.5 million gross (2.6%) over and \$3.7 million GF/GP (1.0%) under Senate passed figures.

\$32.5 million gross (1.1%) under and \$10.7 million GF/GP (3.1%) over the House passed figures.

Summary: Enacted Appropriations
ATTORNEY GENERAL
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$9,917,900	\$11,119,200	\$11,119,200	\$11,909,000	\$10,810,600	\$892,700	9.0
Federal	7,672,700	7,564,400	7,564,400	7,564,400	8,971,800	1,299,100	16.9
Local	0	0	0	0	0	0	0.0
Private	1,183,000	0	0	0	0	(1,183,000)	(100.0)
Restricted	9,216,400	9,945,100	10,145,100	9,145,100	10,670,100	1,453,700	15.8
GF/GP	32,363,383	31,009,900	31,688,900	31,959,700	31,009,900	(1,353,483)	(4.2)
Gross	\$60,353,383	\$59,638,600	\$60,517,600	\$60,578,200	\$61,462,400	\$1,109,017	1.8
FTEs	592.5	588.5	543.0	543.0	568.0	(24.5)	(4.1)

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Attorney General's powers are prescribed in the State Constitution, in statute, and in court decisions. Serving as legal counsel for state departments, agencies, boards, commissions, and their officers, the Attorney General defends the state in court, and brings actions and intervenes in cases on the state's behalf. In addition to defending state agencies, the Attorney General represents legislators and judges who may be sued while acting in their official capacities. The Attorney General issues opinions on questions of law submitted by members of the Legislature and others, serves as chief law enforcement officer of the state, and has supervisory powers over all local prosecuting attorneys.

The Department of Attorney General is organized into five bureaus: Child & Family Services, Criminal Justice, Economic Development & Oversight, Consumer Protection, and Governmental Affairs. In general, each bureau represents certain state agencies, boards, and commissions, and practices in specialized legal areas. Also, the Department includes the Prosecuting Attorneys Coordinating Council, an autonomous entity which provides services to Michigan's prosecutors, their assistants, and other office staff.

Unlike other state agencies, the Department of Attorney General does not operate or initiate programs, and thus the basic mission and goals of the Department do not change from one year to the next. The mission is to protect the common legal rights of citizens, defend the Constitution and the laws of the state, and represent the legal interests of government. The Department's goals are to make the state a safe place for its citizens, offer justice to the victims of crime, defend common natural resources and monetary assets of the state, and deliver excellent legal services at a minimum cost to tax payers.

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		<u>FY 2002-03 YTD (as of 03/06/03)</u>	<u>Enacted Change from YTD</u>
1. Child Support Enforcement	FTEs	0.0	25.0
Includes additional FTE position authorization and funding in a new line item for Child Support Enforcement activities.	Gross	\$0	\$2,132,400
	Federal	0	1,407,400
	Restricted	0	725,000
2. Prisoner Reimbursement Revenue	Gross	\$301,700	\$0
Includes authorization to collect an additional \$800,000 in prisoner reimbursement revenue and offsets the additional funding by reducing GF/GP. Department is authorized to expend the appropriation on defending the state, state departments, and state employees in civil litigation claims filed by prisoners.	Restricted	301,700	800,000
	GF/GP	\$0	(\$800,000)
3. Accident Fund Company Revenue	Gross	\$1,183,000	\$0
Replaces private accident fund company revenue with an IDG from DMB, risk management revolving fund. The Accident Fund no longer serves as the third party administrator for workers' compensation insurance to the state; the Attorney General does continue to provide representation to the state on workers' compensation claims related to state employees.	IDG	0	1,183,000
	Private	1,183,000	(1,183,000)
4. Eliminate IDG Funding from MDA	Gross	\$308,600	(\$308,600)
Eliminates IDG funding from the Department of Agriculture originally appropriated for bovine research.	IDG	308,600	(308,600)
5. Eliminate MUSTFA Funding	FTEs	2.0	(2.0)
Eliminates 2.0 FTE positions and \$161,300 in state restricted Michigan Underground Storage Tank Financial Assurance funding due to the scheduled 2003 sunset of the statutory fee which supports this revenue source. The 7/8 cent fee on motor fuels will no longer be collected due to bonding requirements being met in FY 2002-03.	Gross	\$161,300	(\$161,300)
	Restricted	161,300	(161,300)
6. Reduced Funding for Information Technology	Gross	\$769,500	(\$87,300)
Reduces funding for information and technology-related services and projects. Reductions will be taken in the areas of equipment and infrastructure.	GF/GP	\$769,500	(\$87,300)
7. Unfunded Vacancies	FTEs	586.5	(45.5)
Eliminates authorization for 45.5 classified FTE positions which are vacant and unfunded.			

Major Boilerplate Changes from FY 2002-03:

Sec. 300. Contingency Funds – DELETED

Appropriates federal, state restricted, local, and private contingency funds that can be expended only upon legislative transfer to a specific line item.

Sec. 302. Biennial Report on Attorney General Operations – MODIFIED

Authorizes the sale of the biennial report on Attorney General operations after the first 350 copies are distributed on a gratis basis, prohibits gratis copies from being distributed to legislators, and requires electronic copies of the report to be made available on the Department's website.

Sec. 308. Prisoner Reimbursement Revenue – NEW

Authorizes the Department to spend up to \$301,700 of prisoner reimbursement revenue on activities related to the State Correctional Facilities Reimbursement Act and authorizes the Department to spend up to \$800,000 of excess collections, if the Department collects in excess of \$1,131,000, on defense of litigation against the state, its departments, or employees in civil actions filed by prisoners.

ATTORNEY GENERAL

Sec. 309. *Child Support Enforcement Agreement with Family Independence Agency (FIA) – NEW*

Requires the FIA to enter into a cooperative agreement with the Attorney General for Federal Title IV-D Child Support Enforcement Funding to support child support enforcement activities within the Department of Attorney General, and authorizes access for the Attorney General, to the extent allowable under federal law, to any information used by the state to locate parents who fail to pay court ordered child support.

Summary: Enacted Appropriations
CIVIL RIGHTS
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	934,000	934,000	934,000	934,000	934,000	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	12,689,900	12,183,200	12,167,000	12,166,800	12,183,200	(506,700)	(4.0)
Gross	\$13,623,900	\$13,117,200	\$13,101,000	\$13,100,800	\$13,117,200	(\$506,700)	(3.7)
FTEs	163.5	163.5	140.0	140.0	142.0	(21.5)	(13.1)

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Michigan Civil Rights Commission was established in 1963 pursuant to Article I, Section 2 of the State Constitution to carry out the guarantees against discrimination. In Article V, Section 29, the Commission is charged with investigating alleged discrimination against any person because of religion, race, color, or national origin and is directed to "secure the equal protection of such civil rights without such discrimination." Public Acts 453 and 220 of 1976, the Elliot-Larsen Civil Rights Act and the Handicappers' Civil Rights Act, respectively, and subsequent amendments have added sex, age, marital status, height, weight, arrest record, and physical and mental disabilities to the original four protected categories.

The Michigan Department of Civil Rights was established in 1965 to serve as the administrative arm charged with implementing the policies of the Commission. The Department works to prevent discrimination through educational programs that promote voluntary compliance with civil rights laws; investigates and resolves discrimination complaints in the areas of employment, public accommodations and service, education, housing, and law enforcement; and disseminates information that explains the rights and responsibilities of Michigan citizens as provided by law. Also, the Department provides information and services to businesses on diversity initiatives, equal employment laws, contract compliance, coordination of certification programs for enterprises owned by persons with disabilities, and joint venture/strategic alliance matchmaking. A discrimination complaint may be filed at any of the Department's offices if the alleged discrimination has occurred within the past 180 days.

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Commission Per Diem	Gross	\$16,200	\$0
Eliminates the Commission Per Diem line item due to the Governor recommended suspension of paying Commission per diems. The \$16,200 originally appropriated for the Commission per diem payments is transferred to the Civil Rights Operations line item.	GF/GP	\$16,200	\$0

CIVIL RIGHTS

Major Budget Changes from FY 2002-03 YTD Appropriations:

		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
2. <i>Reduced Funding for Information and Technology</i>	Gross	\$894,529	(\$90,529)
Reduces funding for information and technology-related services and projects. This reduction will affect the intended scope of the Document Imaging Initiative; the Department had intended to begin a project that would convert written correspondence, contract compliance, and other contracts to electronic storage from the current paper storage filing system.	GF/GP	\$894,529	(\$90,529)
3. <i>Unfunded Vacancies</i>			
Eliminates authorization for 21.5 classified FTE positions, which are vacant and unfunded.	FTEs	158.5	(21.5)

Major Boilerplate Changes from FY 2002-03:

Sec. 400. Contingency Funds – DELETED

Appropriates federal contingency funds that can be expended only upon legislative transfer to a specific line item.

Summary: Enacted Appropriations
CIVIL SERVICE
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$5,300,000	\$4,300,000	\$4,300,000	\$2,300,000	\$2,300,000	(\$3,000,000)	(56.6)
Federal	4,779,100	4,779,100	4,779,100	4,779,100	4,779,100	0	0.0
Local	1,700,000	1,700,000	1,700,000	1,700,000	1,700,000	0	0.0
Private	150,000	150,000	150,000	150,000	150,000	0	0.0
Restricted	9,639,200	14,872,200	14,872,200	14,872,200	14,872,200	5,233,000	54.3
GF/GP	9,285,700	8,052,600	8,052,600	8,052,300	\$8,052,600	(1,233,100)	(13.3)
Gross	\$30,854,000	\$33,853,900	\$33,853,900	\$31,853,600	\$31,853,900	\$999,900	3.2
FTEs	201.5	201.5	211.5	211.5	211.5	10.0	5.0

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Department of Civil Service is responsible for implementing policies established by the Civil Service Commission. The Department of Civil Service administers a statewide merit system that provides classified job opportunities within state government. This system includes classification of positions, administration of competitive examinations for all classified positions, setting of pay scales, development of rules governing personnel transactions and conditions of employment, administration of employee benefits and the quality recognition system, and administration of the Civil Service Commission's Employment Relations Policy. In addition, the Department maintains ongoing statewide recruitment.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Transfer of Employee Benefits Program	FTEs	0.0	31.0
Transfers FTE positions and funding associated with the Employee Benefits Program from the Department of Management and Budget to the Department of Civil Service. Program was transferred pursuant to Executive Order 2002-13 and administers group insurance plans for medical, dental, vision, disability, life, and long-term care benefits. Program includes pretax benefit programs, COBRA, and other insurance continuation programs.	Gross	\$0	\$5,234,100
	Restricted	0	5,234,100
2. State Employee Quality Recognition System	Gross	\$191,800	(\$191,800)
Eliminates funding for the State Employee Quality Recognition System. Program rewards current and retired state employees who are involved in recommending, initiating, and implementing process improvements or measures to advance the overall success of a state organization or program.	GF/GP	\$191,800	(\$191,800)

CIVIL SERVICE

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
3. Reduced Funding for Training Reduces funding for employee and management training by \$3.0 million. Training provided by the Department is funded by interdepartmental grant charges to other state departments and agencies.	Gross	\$4,000,000	(\$3,000,000)
	IDG	4,000,000	(3,000,000)
4. Administrative Reduction Reduces funding for Civil Service operations to be achieved through implementation of administrative efficiencies. Current FTE positions which are vacant will not be filled and costs for contractual services, supplies, and materials will be reduced.	Gross	\$27,754,400	(\$977,200)
	IDG	5,300,000	0
	Federal	3,529,100	0
	Local	1,700,000	0
	Private	150,000	0
	Restricted	8,867,600	0
	GF/GP	\$8,207,700	(\$977,200)
5. Reduced Funding for Information Technology Reduces funding for information and technology-related services and projects. Savings are to be achieved through vendor rate reductions, data center reductions, and reductions in other expenses associated with day-to-day operations.	Gross	\$3,099,600	(\$41,000)
	Federal	1,250,000	0
	Restricted	771,600	0
	GF/GP	\$1,078,000	(\$41,000)
6. Unfunded Vacancies Eliminates authorization for 21.0 classified FTE positions which are vacant and unfunded.	FTEs	201.5	(21.0)

Major Boilerplate Changes from FY 2002-03:***Sec. 500. Contingency Funds – DELETED***

Appropriates federal, state restricted, local, and private contingency funds that can be expended only upon legislative transfer to a specific line item.

Sec. 503. Flexible Spending Accounts – TRANSFERRED

Describes fund sourcing for the flexible spending accounts program and specifies how unspent employee contributions are to be used. This language is transferred from the DMB section of the bill due to transfer of the Employee Benefits Program from DMB to Civil Service, pursuant to Executive Order 2002-13.

Sec. 504. Consolidation of Human Resources Functions – NEW

Requires the Department to compile and report on information about human resources for all executive branch departments, to include the total number of employees in each department's human resources office, the amount of funding allocated to each department's human resources operations, recommendations for consolidating executive branch human resources functions into one department, and an estimate of cost savings that would be realized from consolidation.

Summary: Enacted Appropriations
EXECUTIVE
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$0	\$0	\$0	\$0	\$0	\$0	0.0
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	5,021,500	4,859,500	4,859,500	4,859,300	4,859,500	(162,000)	(3.2)
Gross	\$5,021,500	\$4,859,500	\$4,859,500	\$4,859,300	\$4,859,500	(\$162,000)	(3.2)
FTEs	84.2	84.2	84.2	84.2	84.2	0.0	0.0

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The budget for the Executive Office provides funding for the Governor, the Lieutenant Governor, and their staffs. The Governor is elected by the people to a four-year term, is the Chief Executive Officer of the state, the Commander-In-Chief of the state's military establishment, and the Chairperson of the State Administrative Board. Major constitutionally-specified responsibilities include organization and supervision of the Executive branch and annual preparation and submission of the Executive budget. The Lieutenant Governor is nominated at party convention, is elected with the Governor to a four-year term, performs gubernatorial functions in the Governor's absence, and serves as President of the Michigan Senate.

Divisions within the Governor's Office include: Legal, Operations, Community-Based Initiatives, Appointments, Constituent Services, Policy, Communications, Legislative Affairs, Scheduling, Special Projects, and the Governor's Washington D.C. Office, Southeastern Michigan Office, and Upper Peninsula Office.

Major Budget Changes from FY 2002-03 YTD Appropriations:

		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
Administrative Reduction	Gross	\$3,870,700	(\$136,900)
Reduces funding for Executive Office Operations by \$136,900 to be achieved through implementation of administrative efficiencies. One copy machine will be eliminated and costs for travel, cell phones, subscriptions, copying, and supplies will be reduced significantly.	GF/GP	\$3,870,700	(\$136,900)

Major Boilerplate Changes from FY 2002-03:

Sec. 550. Office of Regulatory Reform – TRANSFERRED

Authorizes the collection of funding to cover costs associated with publication and distribution of the Michigan Register and the Michigan Administrative Code, appropriates the funding, and specifies that the funding will not lapse to the general fund at the end of the fiscal year. This language is transferred to the DMB section of the bill due to the transfer of the Office of Regulatory Reform from the Executive Office to DMB, pursuant to Executive Order 2002-11.

**Summary: Enacted Appropriations
INFORMATION TECHNOLOGY
FY 2003-04 Senate Bill 270
Public Act 161 of 2003**

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$424,006,800	\$355,689,300	\$355,689,300	\$356,489,300	\$360,239,300	(\$63,767,500)	(15.0)
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	0	0	0	0	0	0	0.0
GF/GP	0	0	0	0	0	0	0.0
Gross	\$424,006,800	\$355,689,300	\$355,689,300	\$356,489,300	\$360,239,300	(\$63,767,500)	(15.0)
FTEs	1,771.4	1,769.4	1,752.4	1,752.4	1,755.4	(16.0)	(0.9)

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Department of Information Technology was created pursuant to Executive Order 2001-3 for the purposes of improving the delivery of services to citizens by utilizing advancements in technology, improving the management of state information and technology resources, and assuring the reliability, security, and confidentiality of state data and computer facilities. The Department acts as a general contractor between the state's information technology users and private sector providers of information technology products and services.

"Information Technology Services" is defined to mean services involving all aspects of managing and processing information including, but not limited to, all of the following: application development and maintenance; desktop computer support and management; mainframe computer support and management; server support and management; local area network support and management; information technology contract, project, and procurement management; information technology planning and budget management; and telecommunication services, security, infrastructure, and support.

The Department utilizes existing technology funding and state employees from within the other 19 executive branch departments and agencies to support the long-term technology needs of the state, and to find solutions and identify more effective ways to achieve missions. Each state department and agency requests spending authority to fund information technology-related activities and pays for technology services rendered by the Department of Information Technology through an interdepartmental grant. The administration of fund sources remains with each agency. Funding is organized into the following broad theme areas which are based on agency missions: Enterprisewide Services, Health and Human Services, Education Services, Public Protection, Resources Services, Transportation Services, and General Services.

INFORMATION TECHNOLOGY

<u>Major Budget Changes from FY 2002-03 YTD Appropriations:</u>		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Adjustment for Budgetary Savings Reduces funding by \$10.1 million, reflecting the 1% GF/GP budgetary savings realized by state departments/agencies in FY 2002-03. Savings were a result of administrative efficiencies and were reflected in the various state department/agency budgets for FY 2002-03, but not in this budget.	Gross	\$424,006,800	(\$10,111,500)
	IDG	424,006,800	(10,111,500)
2. Executive Order 2002-22 Reductions Reduces funding by \$7.1 million, reflecting the 2.5% GF/GP savings realized by state departments/agencies as a result of Executive Order 2002-22. Savings were a result of administrative efficiencies and were reflected in the various state department/agency budgets for FY 2002-03, but not in this budget.	Gross	\$424,006,800	(\$7,066,700)
	IDG	424,006,800	(7,066,700)
3. Executive Order 2003-03 Reductions Reduces funding by \$14.8 million, reflecting the savings realized by state departments/agencies as a result of Executive Order 2003-03. Savings were a result of reductions in vendor rates, data center rates, contractual services for application support, other contractual services, supplies, and materials, and equipment. Savings were reflected in the various state department/agency budgets for FY 2002-03, but not in this budget.	Gross	\$424,006,800	(\$14,839,800)
	IDG	424,006,800	(14,839,800)
4. Reduced Funding for CSES Reflects a savings of \$20.6 million due to reduced funding for the Child Support Enforcement System (CSES) in the Family Independence Agency budget. The CSES project has been certified and fully implemented. Funding will continue to be available for ongoing operation and maintenance costs.	Gross	N/A	(\$20,571,000)
	IDG	N/A	(20,571,000)
5. FY 2003-04 Savings Reduces funding by \$11.7 million to reflect savings anticipated to occur in department/agency budgets in FY 2003-04. Savings are expected to result from reductions in vendor rates, telecomm rates, contractual services for application support, other contractual services, supplies, and materials, personnel, equipment, training, travel, and desktops, canceling or delaying projects, changing the scope of projects, and reducing hardware and software maintenance.	Gross	\$424,006,800	(\$11,700,900)
	IDG	424,006,800	(11,700,900)
6. Increased IDG Authorization for Department of State Increases IDG authorization from the Department of State due to an additional \$4.6 million in the Department of State's budget for replacement of the mainframe computer system.	Gross	\$0	\$4,550,000
	IDG	0	4,550,000
7. Unfunded Vacancies Eliminates authorization for 14.0 classified FTE positions, which are vacant and unfunded.	FTEs	1,765.4	(14.0)

Major Boilerplate Changes from FY 2002-03:**Sec. 570. Contingency Funds – DELETED**

Appropriates IDG funds that can be expended only upon legislative transfer to a specific line item.

Sec. 575. Transfer of DIT Employees – DELETED

Expresses that the intent of the Legislature is for the Department to transfer their employees from the other state departments and agencies within a reasonable time frame.

Major Boilerplate Changes from FY 2002-03:

Sec. 577. Michigan Public Safety Communications System – NEW

Requires the appropriation for the Michigan Public Safety Communications System to be expended upon approval by the State Budget Director of an expenditure plan, and requires the Department to assess reasonable access and maintenance fees to all subscribers of the system, requires revenue received to be deposited into the general fund, and requires a report to be submitted on the amount of revenue collected and deposited.

Sec. 578. Report on Appropriations and Expenditures – NEW

Requires the Department to submit a report that states the total amount of funding appropriated for information technology services and projects, by funding source, for all state departments and agencies, and requires a listing of expenditures made from the amounts received by the Department of Information Technology.

Sec. 579. Report on Life-Cycle of Hardware and Software – NEW

Requires the Department to submit a report that analyzes and makes recommendations on the life-cycle of information technology hardware and software.

Sec. 580. Department of State's Business Application Modernization Project – NEW

Requires funding appropriated to the Department of Information Technology for the Department of State's Business Application Modernization project to be used only for the development, implementation, and maintenance of the project, and designates the funding as a work project account, authorizing the remaining funding at the end of the fiscal year to be carried forward.

Summary: Enacted Appropriations
LEGISLATURE
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

IDG/IDT	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$1,627,600	\$1,662,900	\$1,662,900	\$1,662,900	\$1,662,900	\$35,300	2.2
Federal	0	0	0	0	0	0	0.0
Local	0	0	0	0	0	0	0.0
Private	400,000	400,000	400,000	400,000	400,000	0	0.0
Restricted	2,530,400	2,495,100	2,495,100	2,495,100	2,495,100	(35,300)	-1.4
GF/GP	120,726,700	118,883,500	115,953,800	114,930,400	115,322,400	(5,404,300)	(4.5)
Gross	\$125,284,700	\$123,441,500	\$120,511,800	\$119,488,400	\$119,880,400	(\$5,404,300)	(4.3)
FTEs	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The budget for the Legislature provides funding for the Legislative branch of state government, to include the Legislative Council and agencies it governs, the Office of the Auditor General, the Legislative Retirement System, and Property Management. The Legislature enacts the laws of Michigan, levies taxes, appropriates funding from revenues collected for the support of public institutions and the administration of the affairs of state government, initiates and considers amendments to the State and U.S. Constitutions, and exercises legislative oversight over the Executive branch of government. The Legislative Council provides a wide variety of essential services to members and staff of the Legislature and is responsible for maintaining bill drafting, research, and other services. Carpenters, painters, maintenance mechanics, and electricians provide maintenance, operation, and repair of the Capitol Building, House of Representatives Office Building, and Farnum Building.

The Office of the Auditor General is responsible for conducting financial and performance audits of state government operations. The resulting audit reports provide a continuing flow of information to assist the Legislature in its oversight of state government, provide citizens with a measure of accountability, and assist state departments and agencies in improving financial management.

The Michigan Legislative Retirement System provides retirement allowances, survivors' allowances, and other benefits for members of the Legislature and their spouses, dependents, survivors, and beneficiaries. The system is funded through state appropriations, member contributions, certain court filing fees, and investment income.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Senate Line Item Reductions Reduces funding for Senate line items by a total of \$1.0 million. Reductions are figured from the current-year appropriated levels, not including the negative supplemental, HB 4032. (Senate operations reduced by \$1,161,400; Senate ADP increased by \$292,600; and SFA reduced by \$153,100)	Gross	\$33,887,200	(\$1,021,900)
	GF/GP	\$33,887,200	(\$1,021,900)
2. House Line Item Reductions Reduces funding for House line items by a total of \$1.4 million. Reductions are figured from the current-year appropriated levels, not including the negative supplemental, HB 4032. (House operations reduced by \$1,493,400; House ADP increased by \$238,500; and HFA reduced by \$144,200)	Gross	\$48,486,100	(\$1,399,100)
	GF/GP	\$48,486,100	(\$1,399,100)
3. Legislative Auditor General Line Item Reduction Reduces GF/GP funding for the Legislative Auditor General line item by a total of \$911,700. Reduction is figured from the current-year appropriated level, not including the negative supplemental, HB 4032. Includes additional IDG funding and reduces state restricted funding by the same amount in order to more accurately reflect where audit charges occur.	Gross	\$15,384,600	(\$911,700)
	IDG	1,627,600	35,300
	Restricted	1,420,600	(35,300)
	GF/GP	\$12,336,400	(\$911,700)
4. Legislative Council Line Item Reductions Reduces GF/GP funding for Legislative Council line items by a total of \$2.5 million, which includes elimination of funding for Legislative Corrections Ombudsman. Reductions are figured from the current-year appropriated levels, not including the negative supplemental, HB 4032. (Legislative Council reduced by \$1,394,300; LSB-ADP by \$107,200; e-Law project by \$194,500; Workers' Compensation by \$10,800; National Association dues by \$272,100; and Legislative Corrections Ombudsman eliminated \$532,600).	Gross	\$13,636,300	(\$2,511,500)
	Private	400,000	0
	GF/GP	\$13,236,300	(\$2,511,500)
5. Property Management Includes an additional \$400,000 for the House Office Building and an additional \$100,000 for the Farnum Building. Increase is figured from current-year appropriated level, not including the negative supplemental, HB 4032.	Gross	\$7,613,400	\$500,000
	GF/GP	\$7,613,400	\$500,000
6. Legislative Retirement System Reductions Reduces GF/GP funding for the Michigan Legislative Retirement System by a total of \$60,100. Reduction figured from current-year appropriated level, not including negative supplemental, HB 4032.	Gross	\$4,117,100	(\$60,100)
	Restricted	1,109,800	0
	GF/GP	\$3,007,300	(\$60,100)

Major Boilerplate Changes from FY 2002-03:

Sec. 604. National Association Dues – MODIFIED

Authorizes the Legislative Council to distribute funding appropriated for payment of National Association Dues.

Sec. 610. Contingency Funds – DELETED

Appropriates state restricted contingency funds that can be expended only on legislative transfer to a specific line item.

Sec. 614. Report on Audits Not Complied With – DELETED

Requires the Office of the Auditor General to report on audits that are not complied with by the audited agencies.

Sec. 615. Auditor General's Salary – MODIFIED

Requires that the salaries of the Auditor General and other 2.0 unclassified positions be determined by legislative leadership.

**Summary: Enacted Appropriations
MANAGEMENT AND BUDGET
FY 2003-04 Senate Bill 270
Public Act 161 of 2003**

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$109,548,100	\$103,716,800	\$103,716,800	\$103,716,800	\$162,216,800	\$52,668,700	48.1
Federal	358,600	440,800	440,800	440,800	440,800	82,200	22.9
Local	0	0	0	0	0	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	36,073,900	31,201,300	31,201,300	89,701,300	31,201,300	(4,872,600)	(13.5)
GF/GP	38,047,311	36,328,900	35,328,900	36,328,600	36,328,900	(1,718,411)	(4.5)
Gross	\$184,027,911	\$171,687,800	\$170,687,800	\$230,187,500	\$230,187,800	\$46,159,889	25.1
FTEs	854.5	819.0	722.0	722.0	722.0	(132.5)	(15.5)

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Department of Management and Budget (DMB) has legal authority under the Management and Budget Act, 1984 PA 431, and is the central management element of the Executive branch of state government. The Department is an interdepartmental service and management agency responsible for all of the following: ensuring proper financial record keeping for state agencies, managing capital outlay projects, managing property for the state (i.e., managing state leases, selling surplus property), executing cost-effective purchasing programs, managing the state's retirement systems, supervising the state motor vehicle fleet, administering travel policies, and providing office support services to state agencies. In addition, the Office of the State Budget prepares, presents, and executes the state budget on behalf of the Governor.

The Department has several autonomous units, including the following: Office of the State Employer, which is primarily responsible for central labor relations as the employer of the state classified work force; Office of the Children's Ombudsman, which investigates the actions, decisions, policies, and protocols of the Family Independence Agency and child placing agencies as they relate to children in Michigan's child welfare system; and Office of Regulatory Reform, which is responsible for reviewing proposed rules, coordinating the processing of rules by state agencies, and working with agencies to streamline the rule-making process and to improve public access.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Motor Vehicle Fleet	Gross	\$0	\$58,500,000
Includes a \$58.5 million line item appropriation for the state's Motor Vehicle Fleet program. Current-year funding is in an "off-budget" internal service fund, the Motor Transport fund, at \$71.0 million.		IDG	0
			58,500,000

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD	
2. Retirement System – Vision ORS		Gross	\$24,886,111	\$1,290,000
Includes additional funding for implementation of Vision ORS, \$840,000 for additional costs associated with application support, and \$450,000 for equipment hosting and licensing charges.	IDG	915,500	0	
	Federal	58,600	0	
	Restricted	7,499,800	1,290,000	
	GF/GP	\$16,412,211	\$0	
3. Building Occupancy Adjustments		Gross	\$101,043,500	(\$4,250,000)
Reduces funding for security, janitorial services, and for operating costs that are part of the leases the Department has for Cadillac Place and Constitution Hall. Security costs will be reduced through technology and other alternatives, such as key card readers, automated gates in place of gate arms, surveillance cameras, and alternative use of security services. Janitorial costs will be reduced by changing the frequency or type of service requirement in areas such as vacuuming, window cleaning, and trash pick-up.	IDG	99,041,600	(4,250,000)	
	Federal	12,000	0	
	Restricted	443,600	0	
	GF/GP	\$1,546,300	\$0	
4. Private Building Lease Adjustments		Gross	\$101,043,500	\$729,900
Includes additional funding to cover increased cost requirements contained in private leases. Requirements include annual CPI increases in the base rent, increased utility costs, property tax adjustments, and operating and maintenance adjustments.	IDG	99,041,600	729,900	
	Federal	12,000	0	
	Restricted	443,600	0	
	GF/GP	\$1,546,300	\$0	
5. Removal of Victor Center from State Space Plan		Gross	\$101,043,500	(\$1,678,900)
Eliminates funding associated with lease costs paid for state space in the Victor Center. Initially, private leases were assigned to DMB for state tenants in the building. Now, due to a number of executive reorganizations, the sole state tenant in the Victor Center is the Department of Career Development, and there is no advantage to the state in transferring the private leases to DMB.	IDG	99,041,600	(1,678,900)	
	Federal	12,000	0	
	Restricted	443,600	0	
	GF/GP	\$1,546,300	\$0	
6. Parking Leases and Shuttle Bus Efficiencies		Gross	\$101,043,500	(\$750,000)
Reduces funding for parking leases and shuttle bus services as a result of early retirements and completion of parking lot renovations. State employees are being reassigned from leased parking spaces to state-owned parking spaces and shuttle bus services will be reduced.	IDG	99,041,600	(750,000)	
	Federal	12,000	0	
	Restricted	443,600	0	
	GF/GP	\$1,546,300	\$0	
7. Transfer of Employee Benefits to Civil Service		FTEs	31.0	(31.0)
Reflects transfer of the Employee Benefits and State Employee Quality Recognition System programs from DMB to the Department of Civil Service, pursuant to Executive Order 2002-13.	Gross	\$5,425,900	(\$5,425,900)	
	Restricted	5,234,100	(5,234,100)	
	GF/GP	\$191,800	(\$191,800)	
8. Transfer of Demographics and Records Management Center to History, Arts, and Libraries		FTEs	8.5	(8.5)
Reflects transfer of the demographics program, the state data center program, and the records management and records center programs from DMB to the Department of History, Arts, and Libraries, pursuant to Executive Order 2002-17.	Gross	\$1,402,000	(\$1,402,000)	
	IDG	137,500	(137,500)	
	Restricted	102,900	(102,900)	
	GF/GP	\$1,161,600	(\$1,161,600)	
9. Reduced Funding for Information Technology		Gross	\$24,886,111	(\$646,200)
Reduces funding for information and technology-related services and projects. Savings will be realized through decreased use of contractors for maintenance of the Michigan Administrative Information Network, renegotiation of contract costs, data center rate reductions, and other support cost reductions.	IDG	915,500	0	
	Federal	58,600	0	
	Restricted	7,499,800	0	
	GF/GP	\$16,412,211	(\$646,200)	
10. Unfunded Vacancies		FTEs	848.5	(97.0)
Eliminates authorization for 97.0 classified FTE positions which are vacant and unfunded.				

Major Boilerplate Changes from FY 2002-03:

DEPARTMENT OF MANAGEMENT AND BUDGET

Sec. 700. Contingency Funds – DELETED

Appropriates federal, state restricted, and private contingency funds that can be expended only upon legislative transfer to a specific line item.

Sec. 704. Supply of Census Information and Technical Services – TRANSFERRED

Authorizes the Department to supply census information and technical services to other state departments and agencies, local units of government, and other organizations, and authorizes the Department to receive and expend funding for providing such services. Language is transferred to the Department of History, Arts, and Libraries bill due to transfer of the demographics program from DMB to DHAL pursuant to Executive Order 2002-17.

Sec. 707. Per Diems for Retirement Boards – DELETED

Authorizes per diem amounts for the Judges, Public School Employees, State Police, and State Employees retirement boards.

Sec. 711. Flexible Spending Accounts – TRANSFERRED

Describes fund sourcing for the flexible spending accounts program and specifies how unspent employee contributions are to be used. Language is transferred to the Department of Civil Service boilerplate section of the bill due to transfer of Employee Benefits Program from DMB pursuant to Executive Order 2002-13.

Sec. 712. Health Insurance Reserve Fund – DELETED

Specifies the amount of funding to be appropriated into the Health Insurance Reserve Fund pursuant to Section 52 of the State Employees' Retirement Act, 1943 PA 240.

Sec. 718. Reference to Townships on Forms – DELETED

Prohibits the Department from printing, or authorizing the printing of, forms that reference a city or village unless the form also references a township in the same size print and in the same font.

Sec. 718. Office of Regulatory Reform – TRANSFERRED

Authorizes the collection of funding to cover costs associated with publication and distribution of the Michigan Register and the Michigan Administrative Code, appropriates the funding, and specifies that the funding will not lapse to the general fund at the end of the fiscal year. Language is transferred from the Executive Office boilerplate section of the bill due to transfer of the Office of Regulatory Reform from the Executive Office to DMB pursuant to Executive Order 2002-11.

Sec. 719. Motor Vehicle Fleet – NEW

Requires the appropriation for motor vehicle fleet to be used for administration and the acquisition, lease, operation, maintenance, repair, replacement, and disposal of state motor vehicles; specifies that the appropriation is to be funded by revenue from rates charged to state departments and agencies for utilizing vehicle travel services provided by DMB; expresses intent of the Legislature that DMB have the authority to determine the appropriateness of vehicle assignment, to include, year, make, model, size, and price of vehicle; gives DMB the authority to assign motor vehicles, either permanently or temporarily, to state agencies and to institutions of higher education; expresses intent of the Legislature that DMB complete a project plan which results in the reduction of expenditures related to vehicle travel services, to include a reduction in the number of state vehicles; and requires a quarterly report on the status of the project plan.

GENERAL SECTIONS OF BOILERPLATE

Sec. 205. Hiring Freeze – MODIFIED

Imposes a hiring freeze on the state classified civil service, permits exceptions, requires a report on the number of exceptions granted, to include justification for the exceptions, and authorizes the Attorney General and Secretary of State to grant exceptions to the hiring freeze for their respective departments instead of the State Budget Director granting the exceptions.

Sec. 216. Presidential Primary – NEW

Prohibits appropriations from being used to fund costs associated with a 2004 presidential primary.

Summary: Enacted Appropriations
STATE
FY 2003-04 Senate Bill 270
Public Act 161 of 2003

Analyst: Robin Risko

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$96,493,000	\$94,752,300	\$73,925,300	\$89,925,300	\$20,000,000	(\$76,493,000)	(79.3)
Federal	1,319,500	1,319,500	1,319,500	46,619,500	1,319,500	0	0.0
Local	0	0	0	0	0	0	0.0
Private	100	100	100	100	100	0	0.0
Restricted	65,274,200	66,447,400	73,418,200	73,418,200	143,070,200	77,796,000	119.2
GF/GP	15,876,161	12,981,700	\$28,812,500	12,980,900	16,731,700	855,539	5.4
Gross	\$178,962,961	\$175,501,000	\$177,475,600	\$222,944,000	\$181,121,500	\$2,158,539	1.2
FTEs	1,853.8	1,853.8	1,854.3	1,854.3	1,855.8	2.0	0.1

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Department of State administers programs in four major areas: motor vehicle transactions, which includes titling and registration of automobiles, watercraft, and recreational vehicles; traffic safety, which includes testing drivers for ability and the suspension of license privileges when laws are broken or incompetence is judged; consumer protection, which includes inspection and licensing of automotive repair facilities; and regulation and administration of the state's electoral process, which entails training local election officials and monitoring campaign finance.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
1. Michigan Transportation Fund Source Shift	Gross	\$0	\$0
Retains \$20.0 million in IDG funding from the MTF and shifts the	IDG	0	(74,752,300)
balance to the newly created Transportation Administration	Restricted	0	74,752,300
Collection Fund established by 2003 Public Act 152.			
2. Additional Commercial Look-Up Fee Revenue	Gross	N/A	\$0
Includes an additional \$2.1 million in state restricted commercial	Restricted	N/A	2,100,000
look-up fee revenue and reduces GF/GP by a like amount due to	GF/GP	N/A	(\$2,100,000)
an anticipated fee increase from \$6.55 to \$7.00. This user fee is			
paid by insurance companies for information about a driver's			
record which assists the companies in determining insurance			
premiums. The fee has not been increased since 1990 and is			
projected to generate \$2.1 million in additional revenue.			

STATE

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
3. Funding for Legacy Mainframe Includes \$4.6 million in additional funding for the Department to begin replacement of the mainframe computer system. Of the \$4.6 million, \$800,000 is funded with state restricted funding anticipated to result from a \$3.00 increase in the fee for personal identification cards from \$7.00 to \$10.00; the remaining \$3.8 million is funded with GF/GP.	Gross	\$0	\$4,550,000
	Restricted	0	800,000
	GF/GP	\$0	\$3,750,000
4. Motorcycle Safety Education Includes additional funding and FTE positions for the Motorcycle Safety Education Grants and Administration Program, which was previously funded in the Department of Education budget, but was recommended for elimination by the Executive. Funds to support the program are derived from original and renewal motorcycle license endorsements, annual motorcycle registration fees, and motorcycle operator driving test fees.	FTEs	0.0	2.0
	Gross	\$0	\$1,200,000
	Restricted	0	1,200,000
5. Specialty License Plate Funding Adjustment Reduces IDG funding to reflect the amount of funding that is made available in the Department of Transportation budget. Reduction is based on the level of anticipated sales. The public's interest level in specialty plates has not been sustained.	Gross	\$3,915,000	(\$1,993,000)
	IDG	3,915,000	(1,993,000)
6. Vertical Drivers' License and Personal ID Card Eliminates the one-time appropriation of \$1.0 million in state restricted State Services Fee Fund revenue used for the development of vertical drivers' licenses and personal identification cards for persons under the age of 21.	Gross	\$1,000,000	(\$1,000,000)
	Restricted	1,000,000	(1,000,000)
7. Administrative Savings Reduction Reflects a savings to be achieved through implementation of administrative efficiencies. Current FTE positions which are vacant will not be filled and costs for contractual services, supplies, and materials will be reduced.	Gross	N/A	(\$500,000)
	GF/GP	N/A	(\$500,000)
8. Reduced Funding for Information Technology Reduces funding for information and technology-related services and projects. Savings will be realized through reductions in FTE positions, costs for contractual services, supplies, and materials, rate reductions, and other support cost reductions.	Gross	\$20,637,861	(\$112,600)
	IDG	14,473,200	0
	Restricted	4,581,900	0
	GF/GP	\$1,582,761	(\$112,600)

Major Boilerplate Changes from FY 2002-03:**Sec. 800. Contingency Funds – DELETED**

Appropriates federal, state restricted, local, and private contingency funds that can be expended only upon legislative transfer to a specific line item.

Sec. 802. Commercial Look-Up Fees – MODIFIED

Authorizes the Department to sell copies of records for various conveyances and to use the revenue to finance necessary expenses. The charge per record is increased from \$6.55 to \$7.00. The balance of the fee revenue at the end of the fiscal year is required to revert to the general fund.

Sec. 814. Qualified Voter File Reimbursements – DELETED

Requires the Department to reimburse municipalities with voting populations over 5,000 in any calendar year for qualified voter file systems and subjects reimbursement to the appropriation of funds.

Major Boilerplate Changes from FY 2002-03:***Sec. 815. Credit or Debit Card Service Assessments – NEW***

Appropriates service assessments collected by the Department from the users of credit or debit cards to be used for expenses related to providing services, limits charges by the Department to not more than the costs billable to the Department, and provides for carry forward of any balance of service assessments received.

Sec. 816. Unlicensed Dealer Fines – NEW

Authorizes funding collected by Department from unlicensed dealer fines to be used to offset administrative expenses and requires funding be transferred via the legislative transfer process in order to be available for expenditure.

Sec. 817. Motorcycle Safety Education Program – NEW

Requires funding appropriated for the Motorcycle Safety Education Grants and Administration program to be used for operation of the program, authorizes funding for grants to help subsidize safety training courses for individuals interested in operating motorcycles, and authorizes funding to be used for costs associated with administration of the program.

TREASURY**Summary: Enacted Appropriations****TREASURY****FY 2003-04 Senate Bill 270****Public Act 161 of 2003****Analyst: Robin Risko**

	FY 2002-03 YTD (as of 03/06/03)	Executive	Senate	House	Enacted	Difference: Enacted from FY 2002-03 YTD	
						Amount	%
IDG/IDT	\$19,445,300	\$14,278,600	\$12,417,600	\$12,417,600	\$12,417,600	(\$7,027,700)	(36.1)
Federal	44,296,100	44,196,100	44,196,100	44,196,100	44,196,100	(100,000)	(0.2)
Local	910,800	910,800	910,800	910,800	910,800	0	0.0
Private	0	0	0	0	0	0	0.0
Restricted	1,762,733,900	1,670,369,700	1,668,369,700	1,668,419,600	1,665,139,700	(97,594,200)	(5.5)
GF/GP	75,309,997	122,065,100	122,022,800	123,172,700	130,705,100	55,395,103	73.6
Gross	\$1,902,696,097	\$1,851,820,300	\$1,847,917,000	\$1,849,116,800	\$1,853,369,300	(\$49,326,797)	(2.6)
FTEs	1,861.5	1,876.5	1,535.0	1,535.0	1,535.0	(326.5)	(17.5)

Note: FY 2002-03 YTD figures do not include the results of any supplementals, contingency transfers, or Executive Order actions that occurred after March 6, 2003.

Overview

The Department of Treasury is the chief fiscal agency of the state and is the primary source of advice to the Governor on tax and fiscal policy issues. The Department's mission is to collect state taxes, to invest, control, and disburse state monies, and to protect the state's credit rating and that of its cities. In addition, the Department manages one of the nation's largest pension funds, administers revenue sharing, and administers the student financial aid programs. Also, the Department investigates fraudulent financial activity, provides recommendations and assistance on all property tax-related issues, trains and gives advice concerning accounting, auditing, budgeting, and financial management to local units of government, advises issuers of municipal obligations, and lends funds to local units of government in fiscal distress through the Emergency Loan Board.

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
TREASURY OPERATIONS	Gross	N/A	(\$3,477,300)
1. Administrative Savings Reductions	GF/GP	N/A	(\$3,477,300)
Reduces funding to be achieved through implementation of administrative efficiencies which include: suspension of seasonal overtime services (\$1.9 million); suspension of customer contact center toll free line (\$200,000); reductions in individual income tax form notification services (\$600,000); reduced revenue training (\$500,000); reduced information technology-related travel (\$177,300); and using the Internet for local unit mailings (\$100,000).			
2. Funding for Warrant Processing Activities	Gross	\$3,000,000	(\$3,000,000)
Eliminates funding for warrant processing activities due to transfer of responsibilities to the Department of Management and Budget.	IDG	3,000,000	(3,000,000)

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
3. Motor Fuel Tax Project Eliminates \$1.7 million in one-time IDG funding associated with the motor fuel tax electronic reporting system.	Gross	\$1,664,000	(\$1,664,000)
	IDG	1,664,000	(1,664,000)
4. MUSTFA Eliminates 4.0 FTE positions and state restricted Michigan Underground Storage Tank Financial Assurance funding due to the scheduled 2003 sunset of the statutory fee which supports this revenue source. The 7/8 cent fee on motor fuels will no longer be collected as bonding requirements will be met in FY 2002-03.	FTEs	4.0	(4.0)
	Gross	\$224,400	(\$224,400)
	Restricted	224,400	(224,400)
5. Unfunded Vacancies Eliminates authorization for 319.0 classified FTE positions which are vacant and unfunded.	FTEs	1,852.5	(319.0)
REVENUE SHARING	Gross	\$1,470,500,000	(\$62,650,000)
6. Revenue Sharing Includes an additional \$3.6 million, for a total of \$683.1 million, in Constitutional State General Revenue Sharing grant funding, and reduces Statutory State General Revenue Sharing grant funding by \$66.3 million, for a total of \$724.8 million. The net is a reduction of \$62.7 million, or 3.0%, from current-year appropriated levels.	Restricted	1,470,500,000	(62,650,000)
DEBT SERVICE	Gross	\$59,586,400	\$13,700,000
	Restricted	40,000,000	(39,122,000)
7. Debt Service Includes an additional \$35.7 million GF/GP for the Quality of Life bond, an additional \$17.1 million GF/GP for the Clean Michigan Initiative bond, and maintains current-year funding for the Water Pollution Control bond.	GF/GP	\$19,586,400	\$52,822,000
GRANTS	Gross	\$117,795,400	\$9,397,300
	Restricted	95,500,000	2,500,000
8. Grants Includes an additional \$2.5 million in state restricted funding for Commercial Mobile Radio Service Payments for local 911 telephone emergency programs in local communities; reflects the transfer from DHAL of \$1.6 million in GF/GP funding for Renaissance Zone Reimbursement payments to be made to libraries for lost property tax revenue associated with renaissance zones; reduces funding by \$1.0 million for the Qualified Agricultural Loan payment program based on estimates of what interest payments will be for FY 2003-04; reduces funding for the Senior Citizen Cooperative Housing Tax Exemption Program by \$700,000 due to the change in payment dates for the state education property tax; reduces funding for reimbursement payments made to the City of Benton Harbor for lost property tax revenue associated with an enterprise zone; includes \$7.0 million in GF/GP funding for reimbursement payments to local units of government for audits of personal property, pursuant to Section 22a of the General Property Tax Act; and maintains current-year funding levels for Grants to Counties in Lieu of Taxes, Convention Facility Development Distribution, and Health and Safety Fund Grants.	GF/GP	\$22,295,400	\$6,897,300

Major Budget Changes from FY 2002-03 YTD Appropriations:		FY 2002-03 YTD (as of 03/06/03)	Enacted Change from YTD
BUREAU OF STATE LOTTERY		FTEs 164.0	19.0
9. New Lottery Games	Gross	\$33,697,600	\$1,474,100
Increases FTE position authorization and funding for contractual services, supplies, materials, and information technology-related projects associated with two new lottery games. It is anticipated that the two new games, Lottery Keno and break-open lottery tickets, will generate \$50.0 million in new revenues for deposit into the School Aid Fund.	Restricted	33,697,600	1,474,100
10. Promotion and Advertising	Gross	\$18,372,000	\$250,000
Includes additional funding for Lottery Promotion and Advertising.	Restricted	18,372,000	250,000
11. Unfunded Vacancies	FTEs	164.0	(17.0)
Eliminates authorization for 17.0 classified FTE positions which are vacant and unfunded.			

Major Boilerplate Changes from FY 2002-03:

Sec. 900. Contingency Funds – DELETED

Appropriates federal, state restricted, local, and private contingency funds that can be expended only upon legislative transfer to a specific line item.

Sec. 902(3). Defaulted Student Loan Collections – NEW

Authorizes the Department to contract with private collection agencies and law firms to collect defaulted student loans and other accounts due the Michigan Guaranty Agency, and appropriates funding to cover collection costs and fees which may not be greater than 22% of the collections or a lesser amount as prescribed by contract, requires that the Department explore the feasibility of donated services in lieu of repayment when the Department is unable to collect defaulted student loans, and requires the Department to file a report on the implementation status of this section.

Sec. 916. Technology Investment Plan – DELETED

Authorizes the Department to develop and maintain a technology investment plan.

Sec. 922. Renaissance Zone Reimbursement – TRANSFERRED

Requires reimbursement to public libraries for property taxes levied in the prior tax year. Language is transferred from the Department of History, Arts, and Libraries bill due to transfer of the appropriation to the Department of Treasury.

Sec. 923. Michigan Transportation Funds – NEW

Requires the Department to submit a report stating the amount of Michigan Transportation Fund revenue collected and the cost of collection.

Sec. 924. Audit and Collection Procedures – NEW

Requires the Department to publish the handbook required, pursuant to 1941 PA 122, Section 205.4(3), which informs taxpayers and tax preparers of audit and collection procedures and authorizes the Department to publish the handbook on the Internet.

Sec. 925. Homestead Property Tax Exemption Audit Fund – NEW

Appropriates Homestead Property Tax Audit Fund revenue for costs of audits consistent with 2003 Public Act 105 and requires a report which states the amount of revenue appropriated for Homestead Property Tax Exemption audits.

Sec. 926. Personal Property Tax – NEW

Requires funding be used to reimburse local units of government for a portion of costs paid for personal property audits.

Sec. 951(3). MEAP Item Analysis – NEW

Requires the results of each test administered as part of MEAP, including tests administered to high school students, to include an item analysis that lists all items that are counted for individual student scores and the percentage of students choosing each possible response.

Major Boilerplate Changes from FY 2002-03:

Sec. 983. Plan to Increase Lottery Ticket Sales – NEW

Requires the Bureau of State Lottery to complete a project plan which includes new strategies for the Bureau to use in its efforts to increase lottery ticket sales and improvements they are going to make as to how they expend funding for advertising and promotion. Language requires the Bureau to report quarterly on the status of the project plan.

